

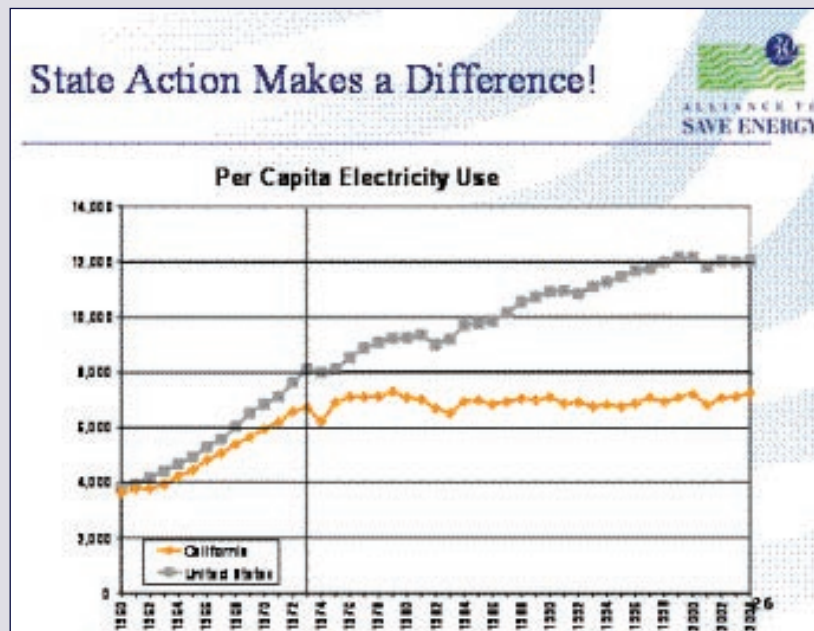
## Chapter 10: STATE & LOCAL ACTION

### BACKGROUND

- As of January 2008, 33 [states](#) had or were close to finalizing climate action plans.
- Existing state mitigation plans address 53 percent of U.S. greenhouse gas emissions. [Regional emissions trading mechanisms](#) address 89 percent of national emissions.
- As of October 1, 2008, nearly 900 mayors had signed the [Mayor's Climate Protection Agreement](#), committing their communities to greenhouse gas reductions comparable to those in the Kyoto Protocol. However, there are more than 90,000 local governments in the United States.
- Much of America's current ability to reduce greenhouse gas emissions is [under the jurisdiction of state and local governments](#). States regulate most utilities and establish building codes. Localities enforce building codes, determine land use patterns and invest in transportation systems -- all of which have substantial climate impact. [Federal policies can and should help states](#) use these authorities to mitigate and adapt to climate change.
- [State and local governments are on the front line of climate adaptation](#), responsible for dealing with the types of public health, severe weather and infrastructure impacts predicted due to climate change.
- In California, energy efficiency measures have held per capita energy consumption to zero growth since 1974, while national per capita energy use has grown 50 percent. (See chart.)

### The California Example

(Chart from the Alliance to Save Energy)



## FRAMEWORK FOR FEDERAL POLICY

- States and localities are America’s policy laboratories.
- The federal government should avoid blanket preemption of [state and local authority](#) to deal with climate change.
- In those areas where uniform national standards and policies are in the public interest, those policies should establish minimum requirements, or “floors,” and allow states to exceed them. A national cap and trade regime, for example, should allow states and localities to set their own higher standards for carbon emissions.
- [Federal, state and local powers to deal with climate change should be coordinated](#) in a coherent Intergovernmental Climate and Energy Security Plan that makes effective use of each governmental level’s authority.
- Federal mandates should be accompanied by sufficient funding for implementation by states and localities. Federal funding should include accountability measures.
- Federal policies should reward leadership states and offer incentives to “laggard” states for bold and innovative efforts to mitigate and adapt to climate change as a necessary complement to cap and trade strategies.

## EXECUTIVE ACTIONS<sup>1</sup>

1. Direct federal agencies to **encourage states to be more aggressive** than federal standards in their efforts to mitigate greenhouse gas emissions.<sup>2</sup> While this executive order would not reverse the decision by Stephen Johnson, Administrator of the Environmental Protection Agency (EPA) under George Bush, to deny a waiver for California’s proposed vehicle emissions standard – a matter now in the courts – it would influence future decisions by the EPA and other agencies.
2. During the transition, convene a **National Leadership Conference on Intergovernmental Climate Action**, inviting leading governors and mayors to develop a framework that [coordinates the powers](#) of [all three levels of government](#). Suggest states consider creating a National Commission on Uniform State Climate Policies, modeled on the [Uniform Law Commission](#), to seek consistent action across states and regions, where consistency is desirable.
3. Address the [U.S. Conference of Mayors](#) and the National Governors Association to express the need for **urgent action at all levels of government** and to call on states and localities to adopt “no regrets” and “do no harm” approaches. (In the “no regrets” approach, state and local governments would adopt policies and practices that are beneficial regardless of climate concerns, such as energy efficiency programs that retain local dollars. In the “do no harm” approach, localities would avoid policies and practices that increase greenhouse gas emissions or community vulnerability to the anticipated impacts of climate change.)
4. Direct the EPA to create and coordinate an interagency “**Climate Action Green Room**” – a one-stop shop to provide state and local officials with information about climate change, policy and adaptation. Instruct the EPA to draw personnel from each of the agencies responsible for programs relevant to local climate action, including the Departments of Energy, Transportation, Agriculture and Housing and Urban Development, and the U.S. Small Business Administration.

5. Direct the Secretary of Energy to consider specific energy-related climate mitigation and adaptation criteria for the [Energy Efficiency and Conservation Block Grant](#) (EECBG) program established in the Energy Independence and Security Act of 2007.
6. Direct the EPA and the U.S. Forest Service to provide local governments with the information, technical assistance and tools necessary to measure and verify the benefits of [urban carbon sequestration](#) opportunities, including urban forestry, green roofs, the establishment of green belts and wildlife corridors, and conservation of open spaces.
7. To help green the supply chain through which state and local governments now purchase \$900 billion annually in products and services, direct the General Services Administration (GSA) to develop carbon standards for fuels and products purchased by states and localities with federal funds. When the guidelines are complete, direct agencies to make compliance a condition of federal funding. Further, direct the GSA to establish a task force comprised of representatives of local, state and federal government and industry to explore new intergovernmental collaborations for purchasing energy-efficient, low-carbon products.
8. Direct the Department of Transportation, through rulemaking if necessary, to require that new and rehabilitated roads must be designed to provide safe [accommodations for pedestrians, cyclists, transit riders and people of all ages and mobility](#).
9. Direct the Department of Energy (DOE) to provide technical and financial support to research projects that determine how **whole community design, advanced energy technologies and smart grids** can be integrated into new urban environments in collaboration with public, private and non profit entities as authorized under the Energy Independence and Security Act of 2007.
10. Direct the EPA to develop a methodology for crediting urban [smart-growth initiatives](#) in State Implementation Plans under the [Clean Air Act](#). The most rapid method for regulating greenhouse gas emissions in the United States will be through the existing authority of the Clean Air Act. Greenhouse gas emissions differ from other criteria pollutants in the number of emitters and their permanence in the atmosphere. Other emissions are measured in local concentrations and smokestack emission quantities; greenhouse gases will need to be measured differently.

## LEGISLATIVE ACTIONS

11. Appropriate full funding – \$2 billion annually over five years – for the [EECBG program](#). In eligible activities, include local green job training, sustainable development initiatives and climate adaptation and mitigation efforts.
12. Appropriate \$1 billion annually to states under the [State Energy Program](#) for grants to create and implement State Energy and Climate Security Plans. Small base grants would be given to each state for energy efficiency and renewable energy activities under the current formula established in the Energy Policy and Conservation Act (EPCA).<sup>3</sup> A second portion of the money would be allocated to states that meet minimum criteria established by the Secretary of Energy for policies and programs that reduce fossil energy consumption and carbon emissions. The rest of the funds would be allocated competitively based on state emissions and fossil energy reductions performance. The DOE would review each state's plan every three years to recertify eligibility for receiving more than the basic formula grant. Congress should amend EPCA to codify this program. (See Recommended Criteria for Funding on next page.)

## RECOMMENDED CRITERIA FOR FUNDING

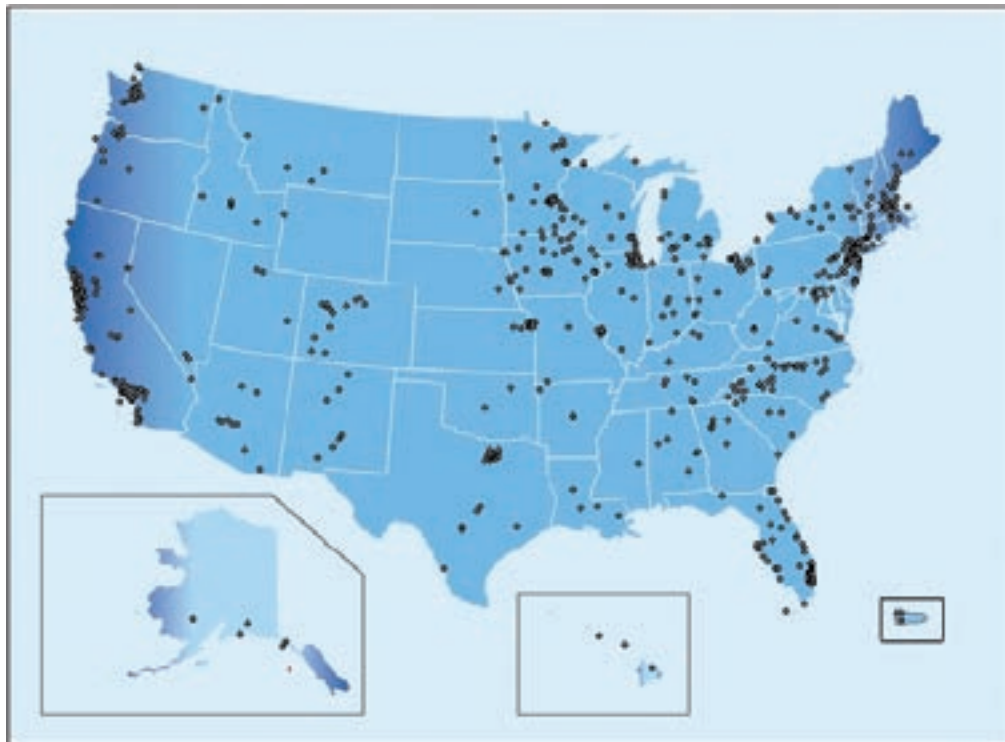
### State Energy Security and Climate Security Plans

- Create and implement a statewide climate action plan to reduce greenhouse gas emissions in line with national targets and to establish annual emissions reporting.
- Institute a mandatory statewide building code for residential and commercial buildings that results in a zero-net-energy, zero-net-carbon performance for all new and substantially renovated buildings by 2030. Provide technical assistance and funding to localities as needed for implementation, training and enforcement.
- Assess the state's full potential for electric generation from renewable resources; energy efficiency improvements in the building, transportation and industrial sectors; new transmission infrastructure to capture stranded renewable energy resources; and distributed electric generation. Develop and implement specific plans to capture these potentials.
- Reform utility regulations to: a) “decouple” electric and gas rates so that utilities can earn reasonable rates of return from energy efficiency activities; b) alternatively, institute Forward Capacity Markets, which increase competition by allowing non-utilities to bid to provide electric generation capacity with energy conservation and efficiency measures; c) encourage the use of policies such as feed-in tariffs that accelerate renewable energy development; d) create statewide interconnection standards and net metering to promote distributed energy generation; and e) demonstrate how each utility is actively contributing to implementation of the state plan as a condition to receiving rate adjustments or permits to build new generating capacity.
- Institute revenue-neutral “feebates” that charge fees at the point of purchase for inefficient vehicles and pay rebates for efficient vehicles.<sup>4</sup>
- Provide grants and technical assistance, and remove barriers in state law, to help regions and communities substantially reduce vehicle miles traveled; develop smart grids and distributed energy systems; promote the development of light rail for intercity travel; engage in “whole community development” that integrates urban planning with energy and transportation systems; earn LEED ratings for buildings and neighborhoods; and achieve carbon neutrality in municipal buildings and operations.
- Create and maintain state and local energy and climate emergency plans.
- Fund statewide job training programs in green technologies.

- 13.** Create a National Energy and Climate Security program and appropriate \$1.7 billion annually. Include the following:
- a) \$50 million to DOE to launch a Green Communities Partnership program with the nation's 3,000 public power communities and rural electric cooperatives to establish new rate structures; demand management, customer outreach and performance contracting mechanisms for energy efficiency improvements in buildings; and, deploy renewable energy generation technologies;
  - b) \$50 million for the EPA to provide incentive awards to states and localities that substantially exceed federal minimum goals for reducing greenhouse gas emissions;
  - c) \$50 million to the EPA to create a High-Performance Schools Program such as that proposed in the High Performance Green Buildings Act (S. 2620) and contained in Title IV, Subtitle E, of the Energy Independence and Security Act of 2007, with the goal of saving \$1.5 billion annually in energy expenses for the nation's K-12 schools;
  - d) \$50 billion for the Department of Housing and Urban Development (HUD) to work with local governments to "green" public and assisted housing, with the goal of saving 5 percent annually on HUD's \$4 billion in annual energy expenditures related to public housing and rental assistance payments;
  - e) \$50 million for the U.S. Department of Transportation (DOT) to provide bonus funding to local and regional governments that commit to reduce vehicle miles traveled by 20 percent by 2020. Participating local governments would be required to track and report progress annually to DOT;
  - f) \$50 million to the EPA to expand grants to local governments in its Smart Growth Program to encourage mixed-used, higher-density, transit-oriented development;
  - g) \$25 million to the DOE for the [Solar America Cities](#) program, to incorporate solar energy into high-profile municipal buildings and community facilities;
  - h) \$20 million annually for the EPA green local government building demonstration grant program, which was authorized in the Energy Independence and Security Act of 2007;
  - i) \$50 million for the U.S. Forest Service to help cities enhance carbon sequestration and reduce cooling costs under the [Urban and Community Forestry program](#);
  - j) \$50 million for the DOE's biomass program and the EPA Office of Wastewater Management to fund demonstration and deployment projects to reduce energy use by and greenhouse gas emissions from municipal water and wastewater treatment operations, now responsible for 20 percent of municipal emissions;
  - k) \$50 million for the EPA to provide grants of up to \$2 million for local governments to establish revolving loan funds for developers to capitalize "green infrastructure" projects such as green roofs, natural drainage systems and landscaping that reduce storm water runoff;
  - l) \$25 million for demonstration grants to local governments for "[Resource Recovery Parks](#)" to encourage recycling, composting or reuse of municipal solid wastes, with the goal of increasing the national recycling rate from its current level of 27 percent to 35 percent to annually reduce greenhouse gas emissions by 11.4 million metric tons of carbon equivalent over land-filling the same material;

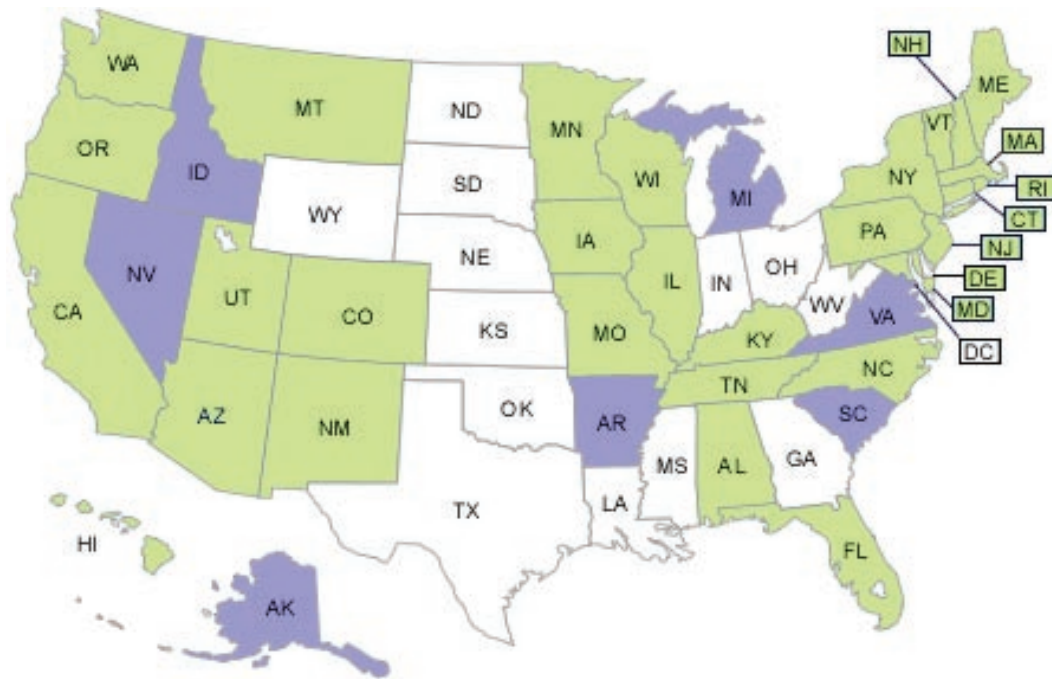
- m) \$10 million to the EPA's [Landfill Methane Outreach Program](#) with the goal of turning methane gas into energy at the 535 landfills the agency estimates are good prospects, producing enough electricity to power more than 800,000 homes;
  - n) \$100 million for the EPA to create a competitive Climate Change Local Demonstration grants program for local governments to build staff capacity to engage in greenhouse gas emissions reduction and climate adaptation activities. Base the program on the EPA's existing authority in Section 103 of the [Clean Air Act](#) via 42 U.S.C. Section 7403(a) & (b), to conduct demonstrations relating to the causes, effects, extent, prevention and control of air pollution; and to make grants and provide financial assistance to public agencies in the conduct of such activities; and
  - o) \$50 million annually to the [National Renewable Energy Laboratory](#) to provide technical assistance, consultation and lab analysis to help each state and, on a competitive basis, several leading cities and regions, in conducting strategic planning on the policies, programs and infrastructure necessary to achieve progressive energy efficiency and renewable energy goals.
- 14.** Appropriate \$900 million annually for the Land and Water Conservation Fund by establishing a conservation trust fund with federal oil and gas lease revenues.
- 15.** Increase funding for the [Weatherization Assistance Program](#) to \$1.4 billion annually, with the objective of weatherizing every eligible home in the United States to reduce carbon emissions, improve the comfort and health of low-income families, and help reduce their energy costs. Currently, only 5 million of 28 million eligible households have been weatherized. (See the Adaptation chapter for other proposals relevant to state and local governments.)

**FIGURE 1:** Cities Which Have Signed the Mayor's Climate Protection Agreement (as of Oct. 1, 2008)



<http://usmayors.org/climateprotection/ClimateChange.asp>

**FIGURE 2:** States with Climate Action Plans (as of May 2008)



**Completed: 30**

AL, AZ, CA, CO, CT, DE, FL, HI, IA, IL, KY, ME, MD, MA, MN, MO, MT, NH, NJ, NM, NY, NC, OR, PA, RI, TN, UT, VT, WA, WI

**In Progress: 7**

AK, AR, ID, MI, NV, SC, VA

**No Policy in Place: 14**

DC, GA, IN, KS, LA, MS, NE, ND, OH, OK, SD, TX, WV, WY

[http://www.epa.gov/climatechange/wycd/stateandlocalgov/state\\_planning.html#four](http://www.epa.gov/climatechange/wycd/stateandlocalgov/state_planning.html#four)

<sup>1</sup> For more complete information about many of the proposals in this chapter, see [U.S. Climate Action from the Ground Up: Federal Policies to Promote Local Government Climate Action](#), written for the Presidential Climate Action Project by Matt Ward, Michelle Wyman, Ken Brown and Andrew Seth of the International Council for Local Environmental Initiatives.

<sup>2</sup> While Congress has delegated the authority to grant waivers under the Clean Air Act to the administrator of the EPA, the president has substantial authority under current law in planning federal energy and climate change policy. See [The Boundaries of Executive Authority](#), July 2008, Chapter II and 49-52.

<sup>3</sup> The State Energy Conservation Program (now called the State Energy Program) was created by the Energy Policy and Conservation Act, 42 USCA 6201. The Act should be modified to have SESCSP plans replace current State Energy Conservation Plans; to reward states that are early adopters and that make rapid progress on implementation; to update the Act's requirements for the topics that states must address; to modify the formula for allocating grants among states to include each state's greenhouse gas emissions; and to minimize paperwork and duplication by allowing states to incorporate State Implementation Plans under the Clean Air Act as part of their SECSPs.

<sup>4</sup> Amory Lovins, "Winning the Oil End Game."